

**COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)**

Board of Commissioners Meeting
Fall Board Meeting – September 6, 2007, 2:00 p.m.
Treasury Board Conference Room, Third Floor
James Monroe Building
101 North 14th Street, Richmond Virginia

Members Present: James J. Wheaton, Chairman
James M. Holland, Vice Chairman
Hady Amr
Woodrow Mullins, Jr.
Billy K. Cannaday, Jr. Ph.D.
David A. Von Moll
J. Braxton Powell

Members Absent: Brenda L. Skidmore

Others Attending:	Frank Robinson	Sidley Austin LLP
	Matt Hughey	Sidley Austin LLP
	Jay Conrad	BB&T Capital Markets
	Matt Palumbo	BB&T Capital Markets
	Don Ferguson	Office of the Attorney General
	Sarah Herzog	Senate Finance Committee
	Evie Whitley	Department of the Treasury
	Janet Aylor	Department of the Treasury
	Jeanine Black	Department of the Treasury
	Leslie English	Department of the Treasury
	Rick Davis	Department of the Treasury
	Connie Vaughan	Department of the Treasury
	Melissa Palmer	Department of the Treasury

Call to Order and Public Comment

Mr. Wheaton called the meeting to order at 2:01 P.M. He stated the first order of business was to provide an opportunity for any public comment. There were no public comments.

Approval of Minutes

Mr. Wheaton asked for a motion for approval of the minutes of the March 23, 2007 Board meeting. Mr. Holland moved to adopt the minutes of the March 23, 2007 meeting as presented; Mr. Mullins seconded, and the motion carried unanimously.

Election of Officers for Fiscal Year 2008

Mr. Mullins moved the nomination and election of the following officers to the Virginia Public School Authority for the fiscal year 2008: James M. Holland as Vice Chairman; the State Treasurer of Virginia as Secretary and Treasurer; the Treasury Public Finance Manager (#TRS027) as Assistant Secretary and Assistant Treasurer #1; and, the Director of Debt Management as Assistant Secretary and Assistant Treasurer #2; Mr. Von Moll seconded, and the motion carried unanimously.

Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2007 B Fall Bonds

Mr. Davis reviewed the preliminary financing summary for the proposed issuance of School Financing Bonds (1997 Resolution), Series 2007 B in the preliminary aggregate principal amount of \$258,725,000. Mrs. Palmer presented the non-subsidy participant list of applications for the proposed issuance.

Mr. Von Moll moved that the Authority approve the list of applications for the non-subsidized participants in the VPSA 2007 Fall Bonds sale as presented by staff (except for the application of Louisa County). Mr. Holland seconded and the motion carried unanimously.

Mr. Holland moved that the Authority approve the application of Louisa County as a non-subsidized participant in the VPSA 2007 Fall Bonds sale; Mr. Amr seconded; Mr. Wheaton abstained, and the motion carried.

Mr. Davis presented the preliminary lending capacity summary for the interest rate subsidy component of Series 2007 B financing. He stated the maximum amount authorized for this transaction in the Appropriation Act for Fiscal Year 2008 is \$20,000,000. The lending capacity summary was prepared and is based on interest rate assumptions at the time the Board package was distributed. Based on those interest rate assumptions a total subsidy of \$20,431,752.55 would have been required to accommodate all applicants. The Financial Advisor has indicated that interest rates have improved significantly since the original summary was prepared. At current levels, the expectation is that all the eligible subsidy participants would be funded within the available appropriation. The final determination will be made on the day of the sale on October 17, 2007 when the interest rates will be known.

Mrs. Palmer presented the subsidy participant list of applications for the Series 2007 B financing.

Mr. Holland moved that the Authority approve the list of applications for the subsidized participants in the VPSA 2007 Fall Bonds sale as presented by staff (except for the applications of Augusta County, Hanover County and King George County); Mr. Powell seconded and the motion carried unanimously.

Mr. Von Moll moved that the Authority approve the applications of Augusta County, Hanover County and King George County for the subsidized participants in the VPSA 2007 Fall Bonds sale; Mr. Holland seconded; Mr. Wheaton abstained, and the motion carried.

Mr. Hughey from Sidley Austin LLP, bond counsel, presented the revised Series Resolution No. 07-03 authorizing the issuance of the Series 2007 B Bonds (Attachment A) for the Board. Mr. Mullins moved

the adoption of Series Resolution No. 07-03; Mr. Powell seconded, and the motion carried unanimously as shown below:

YEAS: James J. Wheaton, Chairman
James M. Holland, Vice Chairman
Hady Amr
Woodrow Mullins, Jr.
Billy K. Cannaday, Jr. Ph.D.
David A. Von Moll
J. Braxton Powell

NAYS: None

Mr. Davis presented the revised General Fund Balance Policy of the Authority for the Board. Mr. Holland moved the adoption of the revised General Fund Balance Policy of the Authority; Mr. Powell seconded, and the motion carried unanimously.

Other Business

Review of Professional Services

Mr. Davis presented a summary of the terms of the Financial Advisory Services contract that expires June 30, 2008. Mr. Holland moved that staff be directed to develop and issue a Request for Proposals for Financial Advisor to the Virginia Public School Authority; to review the proposals received; to select those firms deemed most qualified and responsive; and, to present recommendations to the Board in order for the Board to make the final selection; Mr. Amr seconded, and the motion carried unanimously.

Mr. Davis presented a summary of the terms of the Bond Counsel Advisory contract. Mr. Holland moved that staff be directed to develop and issue a Request for Proposals for Bond Counsel to the Virginia Public School Authority; to review the proposals received; to select those firms deemed most qualified and responsive; and, to present recommendations to the Board in order for the Board to make the final selection; Mr. Von Moll seconded, and the motion carried unanimously.

Briefing on IRS Information Document Request

Mr. Davis advised the Board that an Internal Revenue Service form letter requesting information concerning \$286,670,000 School Financing Bonds (1997 Resolution) Refunding Series 2003 D had been received. Mr. Davis noted that it appeared to be a random request for information on the transaction. The requested information was provided to the IRS August 14, 2007.

Results of Sale and Final Financing Summary – Spring 2007 Pooled Bond Sale

Mrs. Palmer reviewed the Final Financing Summary for the \$112,235,000 School Financing Bonds (1997 Resolution) Series 2007 A and stated the true interest cost was 4.240276%.

Results of Sale and Final Financing Summary – Series VII Educational Technology Notes

Ms. Vaughan reviewed the Final Financing Summary for the \$56,765,000 School Educational Technology Notes Series VII and stated the true interest cost was 3.702312%.

Adjournment

There being no further business to be brought before the Board, Mr. Holland moved that the Board adjourn; Mr. Powell seconded, and the motion carried unanimously at 3:00 P.M.

Respectfully submitted,

Richard A. Davis
Assistant Secretary

Attachments are available upon request at the Department of the Treasury